

February 1, 2012

Ms. Lori Taylor Community Development Director City of Alameda 2263 Santa Clara Avenue, Room 190 Alameda, CA 94501-4477

> Re: Alameda Landing - Administrative Amendment to Planning Board Resolution

No. PB-12-01

Dear Ms. Taylor:

As you know, the Alameda Landing Commercial Project (which may consist of up to 400,000 square feet of office space, 300,000 square feet of retail and a 20,000 square foot health club) is governed by that certain Development Agreement (Alameda Landing Mixed Use Commercial Project) by and between the City of Alameda (the "City") and Catellus Development Corporation ("Catellus") (as successor in interest to Palmtree Acquisition Corporation) dated January 16, 2007, as amended (the "Development Agreement").

On January 9, 2012, the Planning Board of the City adopted Resolution No. PB-12-01, A Resolution of the Planning Board of the City of Alameda Approving Development Plan Amendment PLN11-0328, Street Design Plans Amendment, and Third Addendum to the Environmental Impact Report at Tract 7884 (Alameda Landing Retail Center) (the "Resolution"). The Resolution approves, among other things, the Development Plan for the Retail Center component of the Alameda Landing Commercial Project, subject to enumerated conditions. The Resolution contains Condition 8.1, which Catellus voluntarily agreed to at the Planning Board hearing on the Resolution.

Pursuant to Section 6.4.3 of the Development Agreement, Catellus hereby requests an Administrative Amendment to Condition 8.1 of the Resolution. Specifically, Catellus requests that Condition 8.1 be amended pursuant to Development Agreement Section 6.4.3 to read as follows, provided that (i) United Food & Commercial Workers Local 5 and Carmela Hernandez (the "Appellant") withdraw the January 19, 2012, appeal of the Resolution (the "Appeal"); and (2) no request for a public hearing on the Administrative Amendment is made by any party within the time permitted by the Development Agreement.

No single retail store or tenant in the Retail Center that exceeds 90,000 square feet in size shall include ten percent (10%) or more sales floor area devoted to non-taxable merchandise for a period of twenty (20) years from the issuance of the initial certificate of occupancy for the building in which the store or tenant is located. Thereafter, there

shall be no limitation on the percentage of floor area devoted to non-taxable merchandise within the Retail Center. Notwithstanding the foregoing, in the event that the City's zoning ordinance is amended to eliminate or make less restrictive the prohibition of "super stores" (as defined in the zoning ordinance) in any zoning district, then this condition shall be automatically eliminated or made less restrictive to the same extent as the amendment to the zoning ordinance. Any amendment to this Condition 8.1, other than an automatic amendment pursuant to the immediately preceding sentence, shall require a noticed public hearing before the Planning Board, subject to appeal to the City Council pursuant to the applicable provisions of Section 3-25 of the Alameda Municipal Code, in accordance with the Development Agreement, including without limitation the applicable provisions of Section 30-4.20 of the Alameda Municipal Code.

This requested amendment of Condition 8.1 qualifies as an Administrative Amendment. The requested amendment is minor when considered in light of the Alameda Landing Commercial Project as a whole, in that it provides greater implementation detail and extends the term of the limitation on non-taxable sales at the Retail Center agreed to by Catellus at the Planning Board hearing, but does not materially alter the Retail Center approval or the Alameda Landing Commercial Project. The requested amendment substantially conforms with the material terms of the Development Agreement, in that it is consistent with the Bayport Alameda Landing Master Plan and other Applicable Rules and Vested Elements as defined in the Development Agreement.

On behalf of Catellus, I respectfully request that you approve the requested amendment as an Administrative Amendment pursuant to Development Agreement Section 6.4.3, provided that (i) the Appellant withdraws the Appeal, and (ii) no request for a public hearing on the Administrative Amendment is made by any party within the time permitted by the Development Agreement. I further request that you notice the Administrative Amendment as an information item and place it on the agenda (together with a summary of the Administrative Amendment) for the February 13, 2012, Planning Board meeting, but that no public hearing be held (and if such a hearing is requested within the time set forth in the Development Agreement, that the Administrative Amendment be void and of no force and effect, in which case the Appeal would not be considered to be withdrawn).

Please do not hesitate to contact me should you require any additional information or have any questions with regard to this matter.

Sincerely,

CATELLUS DEVELOPMENT CORPORATION

By:

Thomas Marshall

Executive Vice President-Development